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Street Impact Fees

Frequently Asked Questions

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1. What are Street Impact Fees?

A Street Impact Fee is a charge assessed on new development to pay for the construction or expansion of roadway system facilities that are necessitated by and benefit that new development. These fees would help fund transportation improvements that will be needed as development occurs in Austin.

Chapter 395 of the Texas Local Government Code defines an impact fee as a “charge or assessment imposed...against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development.”

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2. Why is Austin looking into Street Impact Fees?

Austin is evaluating the Street Impact Fee as an additional tool to help cover the cost of expanding its street infrastructure in response to new growth. A Street Impact Fee Program would provide a means for the City to require new development to pay toward street infrastructure improvements in a manner that is proportional to the development's impact.

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3. What are Street Impact Fee funds used for?

Street Impact Fees would be used to recover the costs associated with the expansion of the transportation network necessary to serve demands generated by new development. The funds can be used for planning, surveying, engineering, land acquisition and construction. Impact fees may not be used to remedy existing transportation deficiencies.

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4. What are Street Impact Fees NOT used for?

Street Impact Fees may not be used to repair or maintain existing facilities, upgrade or replace existing capital improvements to serve existing development, or pay for administrative or operating costs to impose the fees.

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5. Who would pay Street Impact Fees?

Any “applicant” who is seeking a building permit for a new development (residential or commercial) that will generate additional use of roadway will be responsible for paying a Street Impact Fee. Applicant means any person, company, agency, or entity that is undertaking a development project. Public schools are exempt from Street Impact Fees.

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6. Would redevelopment pay a fee?

Since Street Impact Fees are traffic-dependent, a redevelopment project that generates more traffic than the existing development would be subject to a Street Impact Fee. However, that fee would be based only on the traffic generated in excess of what was being generated by the previous development. If the new development generates an equal or lesser amount of traffic when compared to the previous development, it would not be subject to a fee.

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